

**HANDBOOK FOR
PROPERTY CUSTODIAL OFFICERS
OF THE
FOOD AND DRUG ADMINISTRATION**

ISSUED BY: PERSONAL PROPERTY MANAGEMENT SECTION

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OFFICE OF FACILITIES, ACQUISITIONS AND CENTRAL SERVICES**

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INTRODUCTION

This handbook is a guide for FDA personnel who have been assigned Property Custodial Officer duties and responsibilities for their program activity area(s). These individuals hold the key to FDA having a successful Personal Property Management Program and this booklet has been designed with them in mind—to make their job as simple as possible. It contains many of the property questions commonly asked by property custodians and the problems sometimes experienced by them in the performance of their duties. Informational responses relating to property management have been provided to give the custodial officer a more serious awareness of the FDA Personal Property Management Program. This information, when used properly, will help to achieve a greater degree of efficiency and effectiveness in this program's accomplishments and the overall economic success of the FDA mission.

Most of the material in this handbook is based on law, regulation, and administrative procedures which form the foundation for property management throughout the Federal Government. The Federal Property Management Regulations, Code of Federal Regulations, HHS Logistics Management Manual, and FDA Staff Manual Guides are some of the sources used for reference in preparing this handbook. Where possible, primary references will be given that will indicate where you may obtain more detailed information on a given subject.

It is hoped that the presentation of this handbook will prove beneficial to the Property Custodial Officer in performing his/her function. There may be some areas that require additional explanation or clarity. For this, the Personal Property Management Section, HFA-225, (301) 443-4510, should be contacted without undue hesitation.

THE CUSTODIAL OFFICER'S ROLE IN FDA'S PERSONAL PROPERTY MANAGEMENT PROGRAM

The Custodial Officer is the “key” to a successful personal property management program. Although being a Custodial Officer is not your primary duty, it is a unique and challenging role, and one that is derived from two very important laws passed by the United States Congress.

The first of these is more than 30 years old: the Federal Property and Administrative Services Act of 1949. This Act created the General Services Administration (GSA) and assigned that Agency many responsibilities, one of those was to establish regulations for property management for the civilian executive agencies of the Federal Government. It is these regulations, which implement the law, and the derivative agency regulations which amplify and supplement them, that govern the activities of the Custodial Officer. The Act of 1949 requires physical accounting and control of Government personal property.

The second Act, Public Law 84-863, passed in 1956, requires that financial accounting as well as physical accounting be incorporated in property management. That is why every property transaction, whether for supplies, equipment or services, must include financial information. The General Accounting Office (GAO) has purview by law over all financial accounting systems within the Federal Government. It has established Government-wide regulations in the GAO Accounting Manual which is implemented and supplemented by the Accounting Manual or Regulations of Government agencies.

As you can see, it is important for the Custodial Officer to understand that the function of property management is based on the Federal Code, the laws passed and amended by Congress, and their application issued as Departmental (DHHS) and Agency (FDA) regulations. They form the legal basis for the Custodial Officer's actions, and require the conduct of property management business within a legal framework.

To be an effective Custodial Officer, you must play three roles in the world of property management. They are:

1. **Policeperson** - Ensure that all property management actions are accomplished in accordance with their legal bases, and in a timely manner together with the proper paperwork.
2. **Educator** - Provide adequate instructions to all users of property, of their personal responsibilities for safeguarding, care during use, and turn-in of such property when no longer required.
3. **Provider of Service** - The Custodial Officer has a service relationship with the property

management office of the accountable area. It is through this office that all property transactions are processed whether they are for acquisition, transfer, or disposal. Without mutual assistance and cooperation between the two, the system and methodology will not be able to provide the service intended.

This section has presented a general description of the world in which Custodial Officers perform their functions. Right now there may be words and terms which seem strange to you or at least undefined in some instances. Continuing to read and study this handbook will enhance your understanding of these words and terms.

Basically, the Custodial Officer should understand that:

1. Detailed responsibilities for this function are probably not in the position description of the job assigned.
2. A legal basis for assigned property management responsibilities required to be executed does exist.
3. The primary task is one of service to program personnel, however, all actions must be performed within certain legal authorities and restrictions which are specifically defined in regulatory documents.

As you can see, you have a very important job! This handbook has been designed to help you accomplish that job.

MANAGING AN INVENTORY

Reference: SMG 2620.2

What should you do as soon as you have been appointed Property Custodial Officer (PCO)?

1. Ensure that a memorandum is sent to the Personal Property Management Section, HFA-225, appointing you as the Property Custodial Officer. Include your location code, mailing code, room number, building name and telephone number.
2. Contact your Executive/Administrative Office and request the use of bar-code equipment in order to conduct a physical inventory, along with the outgoing PCO whenever possible. Call the Personal Property Management Section, (301) 443-4510, for instructions on transmitting the collected data. (See inventory procedures later in this section.)

What are the responsibilities of a Property Custodial Officer?

You are responsible for all accountable personal property throughout the custodial area and for the effective management of the property. Your duties include, but are not limited to:

1. Informing the employees in your location code that you are the PCO and that all property transactions should be routed through you since you are responsible for the proper utilization, care and safe-guarding of property issued or assigned to your custodial area.
2. Informing the employees in your location code of their responsibilities relative to government property. (These responsibilities are outlined in the next question.)

3. Ensuring that FDA bar-codes are affixed to all accountable property.
4. Preparing and processing the required documents covering acquisition, transfer, disposal, and "Report of Survey" actions as required or directed.
5. Upon request, conducting a physical inventory of accountable property and providing that inventory, with appropriate documentation to the Personal Property Management Section.
6. Maintaining a copy of all pertinent paperwork relating to the management of property under your control.
7. Maintaining control of issued personal custody property items through use of "Personal Custody Property Record/Hand Receipt", Form HHS-439. This includes: obtaining written receipts and maintaining a file of HHS-439s indicating location and responsible employee. This can also be accomplished using the Property Management Information System (PMIS) if the user field is completed, as well as any other automated system.
8. Signing off on the Employee Clearance Record as Property Custodian, when an employee is leaving the agency. All property assigned to the employee should be visibly inspected by you before signing.

SAMPLE OF HHS-439

What are FDA employees responsibilities relative to government property?

Each FDA employee is responsible for the proper acceptance, use, protection and surrender of any property assigned to his/her custody or control, and may be held financially liable for violations of such responsibility when they result in losses to the Government. More specifically, he/she shall:

1. Accept property only when properly assigned to his/her custody and control by a custodial or property management officer, and shall not remove any property from a custodial area unless such removal is made with the consent of the custodial officer or the property management officer.
2. Not use, or permit any other person to use, government property for any purpose not authorized by law, except in cases of actual emergencies threatening personal safety, loss of life, or property.
3. Not take for personal use any article of property, including property that has been abandoned or destroyed.
4. If responsible for the custody and/or use of personal property that is subsequently lost, stolen, destroyed, or damaged beyond repair or salvage, forward immediately to the appropriate custodial officer a memorandum showing:
 - a. Full description of the article, FDA bar-code number, serial number, and cost.
 - b. The facts and circumstances surrounding the loss, theft, damage, or destruction.
 - c. The action taken to recover same, if the property was lost or stolen.

5. An employee leaving the jurisdiction of any custodial area shall return any property or account for all personal property and other items for which personally responsible.

Is there any other property I am responsible for in addition to accountable personal property?

Yes, all government owned and leased property must be controlled. In addition to accountable property which includes sensitive items, you are responsible for maintaining control of leased property, controlled items, and non-accountable property. Definitions are as follows:

1. Accountable Property

All government property meeting the definition of equipment acquired at a cost of \$5,000 or more and items costing less than \$5,000 that require special control or are determined to be subject to unusual rates of loss, theft, or misuse (sensitive items). These items will be bar-coded and inventoried annually.

GOVERNMENT PROPERTY TO BE CLASSIFIED AS SENSITIVE EQUIPMENT REGARDLESS OF DOLLAR VALUE

- Bar-code Readers/Scanners
- * Binoculars
- * Cameras and Lenses
- Chromatographs
- Copying Machines
- Facsimile (FAX) Machines
- Personal Computers (CPU, keyboard, and monitor will be recorded as a single unit)
- Printers
- Television Sets
- Video Cameras
- Video Cassette Recorders
- Weapons (including tranquilizer guns)
- *Personal Custody Items.

2. Non-Accountable Property

All property costing less than \$5,000 (except sensitive items). These items will not be required to be inventoried once the item is issued or placed in use. (NOTE: The fact that an item of personal property is not inventoried does not imply that a low cost item does not have to be controlled or that it can be thrown away when no longer needed. All "unrequired" property should be reported through property management channels for reutilization disposal.) A record of these items shall be maintained. A subsystem of the PMIS is available to maintain non-accountable property. Contact Chief, Personal Property Management Section, on (301) 443-4510 for further information.

An item that is purchased which will either extend the useful life of existing accountable personal property, or enlarge or improve its capacity.

A part or component which replaces a similar part or component within a unit of accountable personal property, where the capacity or functions of the accountable personal property are not improved beyond its original state.

A unit of accountable personal property turned over to a vendor when purchasing a new unit of accountable personal property of similar description, where the Food and Drug Administration receives value in the form of a discount on the purchase.

All property that is leased by an FDA activity. All activities shall maintain a record on each item or group of identical items leased. The record shall contain as a minimum, the following information:

- ### ***What is a physical inventory and when is it done?***

What is involved in the inventory process?

- REPORT NAME: BARCODE RECORDS THAT ARE IN THE CORRECT
 DATABASE.**

REQUIREMENTS: None. The records on this report were bar-coded in the same location code as indicated in the Property Management Information System (PMIS).

REPORT NAME: BARCODE LOCATION THAT ARE NOT THE SAME AS PMIS DATABASE.

REQUIREMENTS: This report shows property that is in the PMIS under a certain location code (indicated in the column PROP on the printout) but was found during the physical inventory in another location code (indicated in the column BAR on the printout).

You must complete a Request for Property Action, HHS-22, for any records that should be transferred to the location code indicated in the BAR column. If the item should not be transferred, it does not require any further action.

REPORT NAME: MISSING PROPERTY RECORDS

REQUIREMENTS: This report shows property that was not located during the bar-code inventory. A second search for this property should be conducted.

- 1) If an item is located:
 - a) place a bar-code on the item and affix the bottom half of the bar-code on the printout in the BARCODE column.
 - b) write the date the item was found in the INV DATE column.
 - c) write the users ARIES number in the USER_N column.
 - d) write the room number and building where the property was located in columns ROOM_NU and BUILD.
 - e) return the printout and the data will be added to the records.
- 2) If an item is not located:
 - a) complete a Report of Survey, HHS-342, for each location code.

Headquarters locations submit the HHS-342 along with the printout, for processing to the Headquarters Board of Survey.

Field locations submit HHS-342 after processed by field location Board of Survey.

REPORT NAME: NO PROPERTY RECORDS IN THE PMIS DATABASE

REQUIREMENTS: This report includes items that did not have a FDA decal or the decal was not in the PMIS. Attach any acquisition documentation for the item(s), i.e. purchase order, 393, contract. If acquisition documentation can not be located, fill in the estimated acquisition cost in column COST and the estimated acquisition date in column ACQ.

Return the printout and the items will be added to your inventory.

REPORT NAME: **BARCODE RECORDS THAT HAVE NO FDA NUMBER IN THE PMIS DATABASE**

REQUIREMENTS: The items on this report were bar-coded as if the FDA number was in the PMIS.

1) The item must be located and if the FDA number on the item matches the FDA number on the printout, write the description, serial number, manufacturer, model number under the respective columns. If the FDA number on the printout is not correct, write the correct FDA number on the printout in addition to the description, serial number, manufacturer, and model number.

2) Some of the items bar-coded had previously been deleted because they were not accountable (under \$5,000 or not sensitive). Those items have been indicated on the printout as non-accountable. Locate the items and remove the bar-code labels. Attached is a list of sensitive items.

3) Some of the items bar-coded have been excessed and deleted from the PMIS since the inventory was performed. These records are indicated on the printout as deleted along with the transaction code for the deletion. These records require no further action.

NOTE: Inventory requirements are not complete until all discrepancies have been documented and Reports of Survey submitted.

What HHS forms are used most frequently and what are there uses?

1. HHS-22, "Request for Property Action," is used for:

a. Transferring property internally within FDA and DHHS. The HHS-22 should be prepared by the losing Property Custodial Officer and a signature of the receiving Property Custodial Officer must appear before the property can be transferred out of your location code. The completed HHS-22 should be forwarded to the Personal Property Management Section, HFA-225;

NOTE: If your organization has received the authority to access the PMIS to effect transfers within your organization, you should send the HHS-22 to your administrative

office.

b. Excessing property items. (See Reporting Excess/Unrequired Property); or

SAMPLE OF HHS-22

2. HHS-342, "Report of Survey" - This form is used when reporting lost, stolen, damaged or destroyed property.

SAMPLE OF HHS-342

How will I know if the property actions I have requested have been processed in the property system?

You will receive a "Monthly Update" for your location code. The monthly update will reflect all properly documented additions, changes and deletions to the basic inventory that were processed during that month. The monthly updates must be reviewed by you, any exceptions noted, verified by your signature, and one signed copy returned to HFA-225. Explanation of the columnar headings on the inventory listing and monthly updates, and explanations of the transaction codes are shown below.

FORMAT EXPLANATION OF INVENTORY LISTING

Bar-code Number:	Serially numbered decal affixed to accountable personal property.
FDA Decal Number:	Formerly used as a unique identifier and has been replaced with the Bar-code Number.
Description:	Self explanatory.
Manufacturer:	Actual manufacturer of the equipment.
Model Number:	Self explanatory.
Serial Number:	Self explanatory.
Document Number:	Personal Property Management Section assigned seven digit number. Last two digits signify fiscal year of acquisition by FDA.

Current Cost:	Acquisition cost of equipment (includes shipping and installation charges on new purchases, cost increases and cost decreases.
Location Code:	A four digit code assigned to each individual property custodial area.
Replacement Year (RY):	Replacement year for all items is determined from the Veterans Administration Supply Catalog. Example: Personal Computers have an 8 year life expectancy, the acquisition year is 1990, therefore the year indicated on the listing will be 1998.
Federal Supply Code (FSC):	Four digit code derived from GSA catalogs and Federal Supply Schedules. This code is required for all reporting of excess to GSA.
Purchase Order Number:	Self explanatory.
Transaction Code (TC):	Alpha/numeric code assigned to each record indicating the type of action taken.
Acquisition Date:	Date the item was received by the FDA organization.
Room Number:	Room where the property was located during physical inventory.
Building:	Building where the property was located during physical inventory.
User Name:	Name of the user of the property.

TRANSACTION CODES

ADDITIONS TO INVENTORY

- A1 Purchase**
- A2 Transfer from HHS or another Federal Agency (supported by a Form HHS-22 or a Form SF-122).**
- A3 Found - Item found during inventory without documentation, and supported by a Form HHS-22.**

- A4** Manufacturer replacement of item.
- A5** Reinstated - Item previously dropped from inventory by a Form HHS-342, and later found.
- A6** Purchase of rental or leased property.
- A7** Contract Property.
- A8** Transfer in (within FDA).
- AE** Item erroneously deleted; then reentered

DELETIONS TO THE INVENTORY

Items that have not been reported to GSA for disposition:

- D2** Trade-in
- D3** Donated to Public Body (tax supported organization)
- D4** Transfer to other Federal Agency
- D5** Board of Survey (lost, stolen, damaged)
- D7** Erroneous Entry - Inventory Adjustment
- D9** Transfer to (ASC) Excess
- DA** Expended to Scrap
- DB** Abandoned or Destroyed
- DG** Transfer to other HHS Agency
- DH** Deletion of property that is no longer accountable
- DN** Disposal by Sale - proceeds to miscellaneous receipts
- DE** Donated to schools & non-profit educational organizations

Items that have been reported to GSA for disposition:

- DC** Donated to other than Public Body
- DD** Disposal by Sale - proceeds to miscellaneous receipts
- DJ** Donated to Public Body (tax supported organization)
- DK** Transfer to other Federal Agency
- DL** Expended to Scrap
- DM** Abandoned or Destroyed

CHANGES TO ITEM IN THE INVENTORY

- CA** Change to Serial Number and/or Purchase Order Number
- CC** Change to Condition Code
- CD** Change to Appropriation Code
- C1** Cost Increase
- C2** Cost Decrease
- C6** Transfer out (with FDA property system)

- C7 Transfer to Excess Account
- C8 Transfer from Excess Account to FDA component
- C9 Multiple Field Change (Description, Manufacturer, etc.)

ACQUISITION, BARCODING, AND REPORTING ITEMS OF PERSONAL PROPERTY

Reference: SMG 2620.2

What type of property needs to be reported to the Personal Property Management Section, HFA-225, for inclusion in the property system?

Accountable Personal Property: All government property acquired at a cost of \$5,000 or more and items costing less than \$5,000 that require special control or are determined to be subject to unusual rates of loss, theft, or misuse (see sensitive item list below). These items will be bar-coded and inventoried annually.

GOVERNMENT PROPERTY TO BE CLASSIFIED AS SENSITIVE EQUIPMENT REGARDLESS OF DOLLAR VALUE

- Bar-code Readers/Scanners
- * Binoculars
- * Cameras and Lenses
- Chromatographs
- Copying Machines
- Facsimile (FAX) Machines
- Personal Computers (CPU, keyboard, and monitor will be recorded as a single unit)
- Printers

- Television Sets

- Video Cameras
- Video Cassette Recorders

- * Weapons (including tranquilizer guns)
- * Personal Custody Items.

*From what sources can you acquire accountable property that requires reporting to HFA-225?
What document should be used to report the property to HFA-225?*

1. Purchase Order/Contract. (self explanatory)
2. Government IMPAC Visa Credit Card using a HHS-393.
3. Transfer from other FDA or HHS component using a HHS-22.
4. Transfer from other Federal agency using a SF-122.
5. Items found in your location that have not previously been reported using a HHS-22.

How do you report a newly acquired item and what information is necessary?

All acquisitions must be reported to HFA-225 on the documents mentioned above. The following information should appear on all documents:

- Full description of item
- Model Number
- Bar-code Number
- Original Cost
- PO/Contract Number, if applicable
- Manufacturer
- Serial Number
- Location Code
- Acquisition Date
- Receipt Signature
- Date Received

What personal property requires a bar-code label?

All accountable property is required to have a FDA Bar-code label affixed to it when it is received at the location for which it was requested. If an item is found in your location and does not have a bar-code label, one should be placed on it.

Where should bar-code labels be placed on an item?

Bar-code labels should be placed in a clearly visible place on the front of the item, you should be consistent when placing bar-code labels on similar items. This makes scanning bar-code labels during inventory much easier and efficient.

REPORTING EXCESS/UNREQUIRED PROPERTY

Reference: SMG 2620.2
CFR/FPMR 101.43 & 101.45

What is unrequired property?

Unrequired property is any personal property under the control of any program activity area which is not required for the needs of the Food and Drug Administration as determined by the proper authority.

Is excess property the same as unrequired property?

Oftentimes, the term excess property is used to mean the same as unrequired property. Actually unrequired property does not become excess until it is determined that no need exists for such property within the entire Federal Government.

How is unrequired property handled in FDA?

It is FDA's policy to utilize unrequired or excess property of DHHS or other government agencies, whenever possible, in lieu of new procurement. Any personal property designated as unrequired property by a program activity should first be advertised via electronic mail throughout FDA for a two week period prior to any other disposition action.

What is the procedure for reporting unrequired property in FDA?

The reporting of unrequired property in FDA is determined by whether the action occurs at FDA Headquarters program areas or at FDA Field locations. The reporting procedure for both follows:

FDA Headquarters program areas must report unrequired property to the Personal Property Management Section (HFA-225) on a properly prepared "Request for Property Action", (Form HHS-22). HFA-225 will arrange for pick-up of the items by appropriate personnel and for the proper reporting of the items to GSA using either the "Report of Excess Personal Property", (Form SF-120) or the "Report of Personal Property for Sale", (Form SF-126). In some situations, HFA-225 may arrange for the direct transfer of unrequired property to other Federal agencies using the "Transfer Order", (Form SF-122).

FDA Field locations must report unrequired property to their "37" excess property account on a properly prepared form HHS-22. The HHS-22 should then be forwarded to HFA-225 for processing in the PMIS. The items should then be listed by the field location, on either a SF-120 or a SF-126 form and reported to the proper GSA regional office for disposition action. Field locations may also arrange for the direct transfer of some items using the SF-122 form. FDA Field locations must wait for disposition instructions from GSA for items reported. After disposal action has been taken, the proper documents must be forwarded to HFA-225 before any items are deleted from the PMIS.

SAMPLE OF SF-120

SAMPLE OF SF-122

SAMPLE OF SF-126

REPORTING LOST OR STOLEN PROPERTY

Reference: SMG 2620.5 (For Additional Information)

What should I do if I detect or suspect stolen personal property or if an employee reports a loss to me?

Step 1. Have the employee report the loss or theft immediately to their supervisor.

Step 2. Have the Supervisor report the loss or theft to FDA Security Officer.

Step 3. Have the Supervisor prepare the "Report of Survey", Form HHS-342 and forward it to you.

Step 4. Headquarters: Submit properly prepared HHS-342 to the Personal Property Management Section HFA-225 for submission to the FDA Survey Officer or the Board of Survey.

Field: Submit properly prepared HHS-342 to your office's Board of Survey for action. Forward the completed HHS-342 to the Personal Property Management Section, HFA-225.

What should I do if I cannot find an item during a physical inventory?

Make a thorough search of your organization, interview anyone who might know anything about the item and check all available documentation. If the item is still not located nor any proper documentation available, complete a HHS-342.

How do I complete a Report of Survey Form HHS-342?

Item 1. Enter Personal Property Management Section HFA-225

Item 2. Enter the four digit location code.

Item 3. Check the appropriate box if lost, damaged, short on inventory, or destroyed. If stolen, check the box marked "other". List FDA bar-code number, serial number, description, cost of item, etc. in the appropriate column.

Item 4. Enter all facts and circumstances surrounding the loss, or theft.

Item 5. Enter any additional information not included in Item 4. Also describe safeguards you will take to prevent the same occurrence. Send to your organization's Personal Property Officer for signature.

What type of information is needed for the explanation?

The Report of Survey should provide as a minimum, answers to as many of the following questions as possible:

- **If the loss was the result of a theft, was it reported? Is there a copy of theft report or report of investigation provided?**
- **Does the survey indicate which custodial areas were searched in an attempt to locate the equipment? Were all adjacent areas checked?**
- **Does the activity have all personal custody property signed for on Form HHS-439 or equivalent? Is there a copy of the HHS-439 attached?**
- **Does the report indicate that the activity's employees are aware that any movement of property to other locations must be documented by preparation of a HHS- 22, and coordinated with the custodial officer responsible for that location?**
- **Are there statements by witnesses, employees, supervisors, or others who might provide additional information on the loss?**
- **Is there an explanation as to what additional security measures, property controls, or procedures have been instituted as a result of the loss?**

Remember, vague, unsubstantiated statements are not acceptable and will be returned.

SAMPLE HHS-342